Manitoba

Annual Report
1989 - 90

Finance

91-05350/

Minister of
Finance

Room 103
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour
George Johnson
Lieutenant-Governor of Manitoba

May It Please Your Honour:

I have the privilege of presenting the Annual Report of Manitoba Finance for the fiscal year ended March 31, 1990.

Respectfully submitted,

Clayton Manness
Minister of Finance

Manitoba

Deputy Minister of Finance

Room 109
Legislative Building
Winnipeg, Manitoba, CANADA
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The Honourable Clayton Manness
Minister of Finance

Sir:

I have the honour of presenting herewith the Annual Report of the Department of Finance of the Province of Manitoba for the fiscal year 1989-90.

During the past year the Department was involved in a number of initiatives to improve efficiency and effectiveness of government operations and to enhance accountability. These included:

- revised Departmental Annual Report Guidelines.
- pilot applications to test the effectiveness reporting framework devised by the Canadian Comprehensive Auditing Foundation (CCAF).
- consolidation of all government financial statements in the Public Accounts by 1990-91.
- investigation into a government-wide Integrated Financial Information System (IFIS).
- participation in planning, purchase and installation of a $4 million Legislative Building Information System and its subsequent maintenance.
- negotiations toward establishment of a Risk Management Consortium composed of five major insurance brokerage firms to provide services to the Province.
- establishment of an Executive Management Committee to improve administration, co-ordination and communication within the Department.

The Department was faced with the need for placing greater emphasis on management of increasingly substantial amounts of money, debt and investments, requiring the development of currency and interest rate risk management programs. Increased emphasis was placed on cross-currency swaps to rationalize Manitoba's foreign exchange exposures due to wide fluctuations in foreign currency values.

The Taxation Division commenced its reorganization from a statute based to a function based structure, to combine like functions for all taxing statutes. The new structure will better utilize existing resources, will improve operating efficiency and will better serve Manitoba taxpayers.

Respectfully submitted,

Charles E. Curtis
Deputy Minister of Finance

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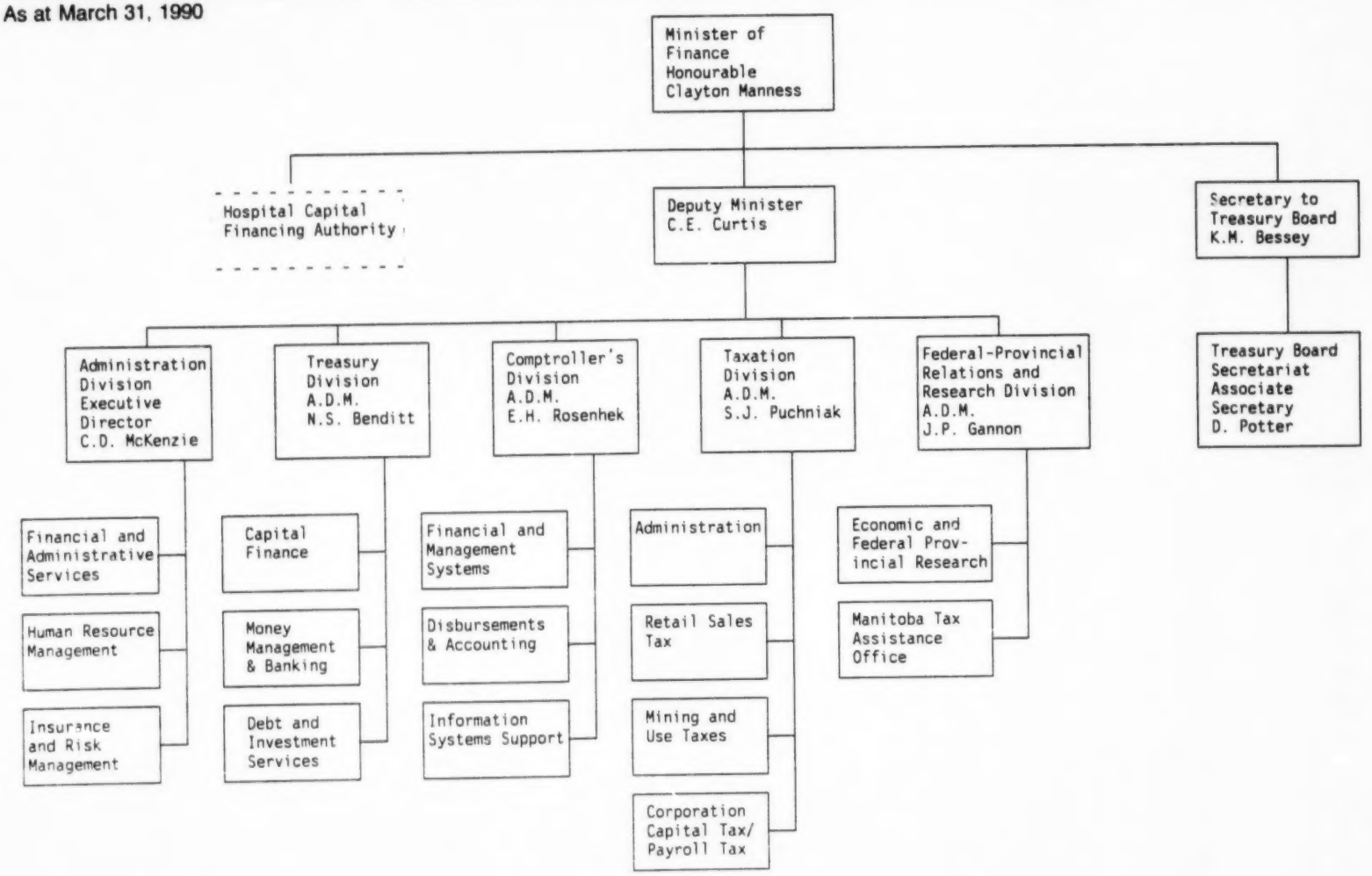
ORGANIZATION CHART - MANITOBA FINANCE

As at March 31, 1990


Minister of Finance Honourable Clayton Manness
Hospital Capital Financing Authority
Deputy Minister C.E. Curtis
Secretary to Treasury Board K.M. Bessey
Administration Division Executive Director C.D. McKenzie
Treasury Division A.D.M. N.S. Benditt
Comptroller's Division A.D.M. E.H. Rosenhek
Taxation Division A.D.M. S.J. Puchniak
Federal-Provincial Relations and Research Division A.D.M. J.P. Gannon
Treasury Board Secretariat Associate Secretary D. Potter
Financial and Administrative Services
Human Resource Management
Insurance and Risk Management
Capital Finance
Money Management & Banking
Debt and Investment Services
Financial and Management Systems
Disbursements & Accounting
Information Systems Support
Administration
Retail Sales Tax
Mining and Use Taxes
Corporation Capital Tax/ Payroll Tax
Economic and Federal Provincial Research
Manitoba Tax Assistance Office

ROLE AND MISSION STATEMENT

The Minister of Finance is Vice Chairman of Treasury Board, and through the Department, manages the Consolidated Fund and directs the financial affairs of the Province. The overall responsibilities of the Minister and the Department include:

- Providing policy direction on matters relating to financial management and administration

- Analyzing and appraising the economic situation and prospects in Manitoba in cooperation with other Ministries as appropriate

- Advising on fiscal and other economic policies and measures

- Managing the requirements of the Province within appropriate fiscal and administrative policies, by action related to expenditures, lending, taxation, borrowing and cash management

- Advising on policies relating to Federal-Provincial fiscal and economic relations

- Representing the Province in negotiations and participating in meetings related to finance, taxation and economic development

- Maintaining the Provincial accounting and financial reporting systems

- Providing direction to Government for the appropriate and effective use of information systems technology

- Providing insurance and risk management services to all Government Departments, Agencies and certain Crown Corporations.

OVERVIEW

Manitoba Finance was established in 1969. Prior to then two departments, the Comptroller-General and the Treasury, both functioned under The Treasury Act. The Comptroller-General became the Provincial Auditor operating under The Provincial Auditor's Act and the Treasury became the Department of Finance, operating under The Financial Administration Act.

During the period covered by this report - April 1, 1989 to March 31, 1990 - the Department was comprised of five operating divisions:

- Administration

- Treasury

- Comptroller's

- Taxation

- Federal-Provincial Relations and Research

and a Treasury Board Secretariat, headed by a Secretary to Treasury Board, reporting to the Premier as Chairman of Treasury Board.

This Annual Report is organized in accordance with the Department of Finance appropriation structure, as set out in the Main Estimates of Expenditure of the Province of Manitoba for the fiscal year ending March 31, 1990, with the exception of Insurance and Risk Management and Public Debt which are included within the Divisions which are responsible for their administration.

Accordingly, the Report contains information at the Main and Sub-Appropriation levels related to the department's objectives, the actual results achieved, its financial performance and any variances that occurred. In addition, expenditure and revenue variance explanations previously contained in the Public Accounts are now provided in the Annual Report.

STATUTES RESPONSIBILITY
MINISTER OF FINANCE

	CONTINUING CONSOLIDATION CHAPTER
The Corporation Capital Tax Act	C 226
The Crown Corporations Public Review and Accountability Act	C 336
The Energy Rate Stabilization Act	E 115
The Farmers Emergency Grants Act (S.M. 1971, c.4)	-
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Gasoline Tax Act	G 40
The Health and Post Secondary Education Tax Levy Act	H 24
The Homeowners Tax and Insulation Assistance Act (Parts I to IV and Section 1 and Part VI as they relate to subjects covered under Parts I to IV)	H 75
The Hospital Capital Financing Authority Act	H 125
The Income Tax Act	I 10
The Manitoba Telephone System Debt Adjustment Act, 1955 (S.M. 1955, c. 77)	-
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Motive Fuel Tax Act	M 220
The Pari-Mutuel Tax Act	P 12
The Public Officers Act	P 230
The Retail Sales Tax Act	R 130
The Revenue Act	R 150
The Succession Duty Act (S.M. 1988-89, C. 42)	-
The Suitors' Moneys Act	S 220
The Provincial - Municipal Tax Sharing Act	T 5
The Taxation Agreement Act, 1957 (S.M. 1957, c. 70)	-
The Special Employment Program Act, 1977 (S.M. 1957, c. 70)	-
The Tobacco Tax Act	T 80
The Treasury Branches Act	T 155

As Per Schedule "I" of Order-in-Council No. 758/89.

During 1989/90 The Crown Corporations Public Review and Accountability Act was added.

Deleted were The Gift Tax Act and The Mineral Acreage Tax Act (both repealed) and The Oil and Gas Production Tax Act (transferred as a responsibility to the Minister of Energy and Mines).

ADMINISTRATION AND FINANCE

Minister's Salary

Required to provide the Minister of Finance with the additional compensation to which an individual appointed to the Executive Council is entitled.

Executive Support

Comprises all support staff in the Office of the Minister of Finance together with the Deputy Minister and his support staff for a total of eight staff years.

The purpose of the Executive Support function is to advise the Minister on all policy and program matters related to the Department, to coordinate and administer the activities of the Department to meet government policy objectives and to provide administrative support for the Offices of the Minister and Deputy Minister.

Expenditures by Sub-Appropriation

07-1	Administration and Finance	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a)	Minister's Salary	20,531	1.00	20,600	(69)	
(b)	Executive Support					
	Salaries					
	- Main Estimate		8.00	289,500		
	- Main Estimate Authority from General Salary Increase XXV			7,600		
	Total Salaries	289,437		297,100	(7,663)	
	Other Expenditures	98,904		107,700	(8,796)	

ADMINISTRATION DIVISION

The Administration Division is comprised of three branches and is responsible for providing central management and administrative support services to the Department including financial and accounting services and human resource management services. Insurance and risk management services are provided to all departments and Agencies.

The three branches:

- Financial and Administrative Services
- Human Resource Management
- Insurance and Risk Management

Financial and Administrative Services Branch

This Branch, with a staff of six, performs all the accounting, financial, budgeting and general administrative services for the Department. The Branch processes all Departmental expenditures and revenues in accordance with Legislative, Departmental and Treasury Board requirements. It advises senior management and divisional staff on all policies relating to the financial records of the Department and in the preparation of all financial reports. This includes all payments to suppliers of goods and services and the initiation of input to the Government's central computerized accounting systems. It is responsible for the propriety, accuracy and completeness of accounting and financial information and the summarizing of related statistical information.

The budgetary function includes the coordination of comprehensive fiscal budget support services to the Departmental divisions. This consists of the preparation and presentation of the Department's annual budget estimates, ongoing budget analysis, cash flow statements, the monitoring of expenditures and revenues and the provision of related reports to Departmental management and Treasury Board.

Administrative functions include management of the Departmental vehicle fleet, parking, coordination and acquisition of telephone and other communication requirements, monitoring Departmental purchasing activities and assisting with the management of Departmental programs and administrative space requirements. This Branch also is responsible for coordinating the response to all requests for Departmental information associated with the Freedom of Information Act.

Expenditures by Sub-Appropriation

07-1(c) Financial and Administrative Services	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries					
- Main Estimate		6.00	214,600		
- Main Estimate Authority from General Salary Increase XXV			5,900		
Total Salaries	220,408		220,500	(92)	
Other Expenditures	28,911		34,800	(5,889)	

Human Resource Management Branch

The Human Resource Management Branch, with a staff of five, exists for the purpose of providing managers and staff of the Department of Finance and Treasury Board Secretariat with effective and efficient human resource management programs and services as may be required to achieve their stated goals and objectives.

During 1989-90, the Branch held 26 competitions resulting in 38 appointments. These competitions generated the receiving and processing of a total of 967 applications, and interviewing of 171 candidates.

The Branch continued to act as the Affirmative Action Coordinator for the Department. Affirmative Action Statistics for the 1989-90 year are as follows:

COMPETITION STATISTICS (April 1989 to March 1990)

Total Appointments Through Competition	38	
Male	16	42.11%
Female	22	57.89%
Native	1	2.63%
Disabled	2	5.26%
Visible Minority	4	10.53%

NEW EMPLOYEE APPOINTMENT STATISTICS (April 1989 to March 1990)(Includes all term and entry level appointments, as well as those new employees appointed through competition).

Total Appointments	54	
Male	22	40.74%
Female	32	59.26%
Native	4	7.41%
Disabled	1	1.85%
Visible Minority	3	5.56%

The Department's Affirmative Action Statistics as at fiscal year ends are as follows:

	1986-87		1987-88		1988-89		1989-90	
	Target (%)	Actual (%)	Target (%)	Actual (%)	Target (%)	Actual (%)	Target (%)	Actual (%)
Native	1.0	0.3	2.0	0.7	3.0	0.7	5.0	1.2
Women	10.0	52.7	20.0	52.8	35.0	51.4	40.0	52.6
Physically Disabled	1.0	2.2	2.0	3.4	3.0	4.7	5.0	4.3
Visible Minority	1.0	5.7	2.0	6.1	3.0	5.9	4.0	5.9

The Branch maintained and administered the payroll, employee records and associated benefits for a 1989-90 staff year complement of 421.42 regular and 19.48 term positions.

Several enhancements continued to be made to both computerized and manual employees record keeping systems, thus providing more accurate and up-to-date records for both management and employees.

In preparation for delegation of job classification from the Civil Service Commission to departments, Branch staff participated in a two day Job Classification Allocation Workshop.

The Branch Director acted as a member of the Steering Committee for the Taxation Division's reorganization. This major reorganization is based on "functions" rather than a "Statute-based" structure and involves approximately 200 positions.

Two Branch employees continued to participate in the Civil Service Commission's Seconded Trainers Program.

The Branch also acted as the facilitator for the Department's Workplace, Safety and Health Committee. Five meetings were held in 1989-90 to deal with related matters.

Expenditures by Sub-Appropriation

07-1(d) Human Resource Management	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries					
- Main Estimate		5.00	161,800		
- Main Estimate Authority from General Salary Increase XXV			4,600		
Total Salaries	180,053		166,400	13,653	
Other Expenditures	21,708		21,800	(92)	

Insurance and Risk Management Branch

The Insurance and Risk Management Branch serves a centralized government function providing Insurance and Risk Management services to over 60 departments and Agencies. The Branch assists departments and Agencies in identifying risk exposures and provides advice on appropriate measures to reduce and control these risks, in order to reduce the cost of accidental losses to the Province.

Risk Identification and Evaluation

The Insurance and Risk Management Branch worked with departments and Agencies to identify and assess risk exposures associated with their activities. The Branch carried out risk assessment inspections of the Crystal Casino in the Hotel Fort Garry and made recommendations which resulted in improved public safety features. The Branch also conducted inspections of the Gull Harbour Hotel for Venture Manitoba Tours, as well as the Land Titles record storage area for the Department of Justice.

Branch personnel worked with insurance consultants to provide advice on security matters to the Treasury Division, Department of Finance. Additionally, the Branch responded to several hundred risk evaluation enquiries concerning Province of Manitoba programs and facilities.

The Insurance and Risk Management Branch participated in numerous presentations with audiences ranging from field personnel to senior administrators in order to provide further information about risk management. These included a presentation to the Department of Highways District Engineers concerning the Department's liability exposures and a presentation to Treasury Board outlining the Province's Risk Management program. The Branch worked with the Department of Natural Resources to establish a pilot project to identify and evaluate risks in Provincial Parks. This was followed by a one-day Risk Management Workshop via community educational television satellite which involved approximately 450 employees of Natural Resources in 15 Manitoba communities.

Risk Control

The Insurance and Risk Management Branch provided advice on risk control measures to departments and Agencies which resulted in numerous improvements being implemented. Improvements were made to the emergency fire pump at Gull Harbour, automatic sprinkler system in Land Titles storage area, and to security measures of several departments and Agencies. The Branch made recommendations regarding maintenance programs aimed at preventing injuries to visitors in Government buildings and assisted departments in drafting forms for documentation of maintenance programs.

Risk Transfer

Branch personnel reviewed over 100 contracts for insurance and indemnity provisions to ensure proper transfer of risk to independent consultants or contractors performing services for the Province. The Branch also provided guidelines for Proof of Insurance requirements and provided Certificates of Insurance on behalf of departments and Agencies.

Risk Financing

The Insurance and Risk Management Branch administers insurance purchasing on behalf of Government departments and Agencies. Insurance premiums paid during the 1989-90 fiscal year exceeded $1.5 million, representing a reduction of approximately 10% from the previous fiscal year. This reduction was due primarily to a continuation of the soft insurance markets during the 1989-90 fiscal year. In addition, premium reductions were achieved by combining coverages, replacing incumbent brokers or utilizing different underwriting markets. The crime and employee bonding policy was cancelled in August 1989 as Treasury Board directed departments and Agencies to self-insure this exposure.

The Insurance and Risk Management Branch conducted negotiations with five major brokerage firms aimed at establishing a Risk Management Consortium to provide services to the Province. A feasibility study was launched to examine the possibility of self-insuring property exposures for Government Agencies. The Branch also worked with the Department of Child and Family Services to review property damage claims occurring in foster homes and to establish an improved system for administering these claims.

Claims Administration

The Insurance and Risk Management Branch administers insurance related claims on behalf of Government departments and Agencies. In the 1989-90 fiscal year, 359 Property Damage Claims totalling nearly $1 million in damages were reported. The Branch worked with departments to recover approximately $317,000 from responsible third parties.

During this same time period, 250 liability incidents were reported with initial reserves totalling approximately $500,000. Unfortunately, there was a significant increase in the number of reported incidents involving fatalities or serious injuries during the 1989-90 fiscal year.

General

The Insurance and Risk Management Branch provided advice on insurance requirements for Provincial Legislation establishing the Provincial Offences Information and Traffic Ticket Services (POINTTS) Program, as well as working with the Department of Justice on a review of indemnification provisions for members appointed to Government Boards, Commissions and Committees.

Expenditures by Sub-Appropriation

07-6 Insurance and Risk Management	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a) Salaries	158,310	4.00	154,800	3,510	
(b) Other Expenditures	12,790		12,300	490	
(c) Insurance Premiums	1,307,412		1,903,500	(596,088)	1
(d) Recoveries from other Appropriations	(481,049)		(952,500)	471,451	2
Net Other Expenditures	839,153		963,300	(124,147)	

1. This saving was realized because of the competitive insurance market, by replacing incumbent brokers on the Property and School Bonding policies and by switching underwriting markets on the Marine Liability policy.

2. Recoveries from other departments are directly related to the premiums paid for insurance policies that are negotiated on behalf of the department. Accordingly, the reduction in premium costs resulted in a reduction in recoveries.

TREASURY DIVISION

The Treasury Division was created as a separate entity in 1976 due to the need for placing greater emphasis on the management of substantial amounts of money, debt and investments. Since that time volumes and dollar values have increased significantly, requiring the development of currency and interest rate risk management programs. In the absence in the Province of separate agencies to assist in the financing of municipalities, schools and hospitals, the Treasury Division ensures that such financing is arranged.

In the 1989-90 fiscal year the Treasury Division existed in the context of an uncertain world economic picture, violent fluctuations in both long and short term capital markets, similar fluctuations in foreign currencies, excessive government deficits, third world debt problems, banking system problems caused by non-performing loans, stock markets rebounding after a substantial retreat from record high levels, a steadily worsening world trade situation, fears of rising inflation, fears of a return to recession, and last but not least restructuring of Canadian and world financial markets, all of which impacted on the day to day decisions made by Treasury Division staff.

The Division maintains regular contact with the world financial community to inform more than 100 domestic and foreign financial corporations and rating agencies of the policies and economic performance of the Province.

The Treasury Division is divided into four functional areas:

- Administration
- Capital Finance Branch
- Money Management and Banking Branch
- Debt and Investment Services Branch

Administration

The Administration function has been allocated two staff years for the performance of the following functions:

- General management of the Treasury Division

- Contact with the world financial community

- Investment of sinking funds and other long term investment accounts aggregating in excess of $2.0 billion

- Establishing interest rates for loans to Crown Corporations, Government Agencies, school boards, hospitals and municipalities

- Provision of management and financial advisory services to Government departments, Agencies and investment funds.

Capital Finance Branch

The Capital Finance Branch of the Treasury Division has been allocated six staff years for the performance of the following major functions:

- Managing the borrowing programs of the Government, Crown Corporations, Government Agencies and other loan programs

- Administering Provincial investment in, and advances to, Crown Corporations, Government Agencies and other loan programs

- Managing sinking funds of the Province, Crown Corporations and Government Agencies

- Acting in an advisory capacity to Crown Corporations, Government Agencies and managers of other loan programs regarding the respective organization's policies and procedures related to capital financing.

Borrowing

The borrowing program of the Government, its Crown Corporations and Government Agencies aggregated $1.34 billion in 1989-90, $755 million for General Government Programs and $585 million for Self-Supporting Programs. The aggregate

amount of Province of Manitoba direct and guaranteed debt, net of sinking funds, outstanding at March 31, 1990 using March 31, 1990 foreign exchange rates for conversion of foreign issues was $9.94 billion ($10.58 billion at March 31, 1989) of which $4.86 billion ($5.25 billion at March 31, 1989) was for General Government Programs.

The Capital Finance Branch actively monitors the global capital markets and manages the Province's outstanding debt through the use of both short and long term hedging techniques such as currency exchange agreements, interest rate swaps, forward rate agreements and various option structures. During the 1989-90 fiscal year, the Branch negotiated a total of 16 currency exchange agreements. Eleven of these agreements resulted in a reduction in the Province's foreign currency exposure to non-North American liabilities to less than 1% of the March 31, 1990 value of outstanding debt. The other 5 currency exchange agreements reduced the Province's U.S. dollar exposure to a Canadian dollar liability.

The Branch is responsible for meeting the ongoing reporting and filing requirements of all markets in which the Government has borrowed money. During 1989-90, a prospectus and/or related agreements were prepared for each of the Province's six foreign issues. As well, two major reports and filing documents were prepared for regulatory agencies.

The Branch also coordinated presentations to each of the four major North American rating agencies who evaluate the credit worthiness of the Province.

Investment

The Capital Finance Branch administers the Government's non-budgetary investment activities through advances to and/or equity investments in various Crown Corporations, Government Agencies and other loan programs. During 1989-90 an aggregate amount of $323 million of such investments were made while $356 million of principal was recovered. At March 31, 1990 the aggregate amount of advances and equity investments outstanding was $4.1 billion.

Sinking Funds

Sinking Funds of the Province of Manitoba, its Crown Corporations and Government Agencies are managed by the Capital Finance Branch. At March 31, 1990, Sinking Funds related to the direct debt of the Province amounted to $1.9 billion, up 27% from $1.5 billion at March 31, 1989. Sinking Funds of the Crown Corporations and Government Agencies totalled $301 million at March 31, 1990, up 5% from 1989. The Capital Finance Branch determines the amount of all the cash flow of these funds for investment purposes.

Other Responsibilities

The Capital Finance Branch also acts in an advisory capacity to Crown Corporations and Government Agencies and makes recommendations respecting each organization's policies and procedures related to the financing of their programs. All existing and proposed legislation of a financial nature is reviewed to ensure that the objectives of the Crown Corporation or Government Agency are met and that there is legislative consistency among the various entities.

The Branch is responsible for operating the Manitoba Hospital Capital Financing Authority, which assists operators of hospitals to finance their capital expenditures.

The Branch is also responsible for the management of the accounts of Manitoba Properties Inc. a Corporation owned by the Province for the purpose of purchasing provincial properties which are then leased back to the Province.

Money Management and Banking Branch

The Money Management and Banking Branch of the Treasury Division has been allocated six staff years for the performance of the following major functions:

- Managing the Government's monetary resources

- Managing the short term investment and borrowing programs for the Government

- Administering trust money deposited with the Minister of Finance by Crown Corporations, Agencies and departments

- Managing the banking operations of the Government.

Money Management

The Money Management and Banking Branch prepares cash flow forecasts detailing the Government's anticipated daily receipts and expenditures, including its trust administration activities. Management of daily bank balances and timing of long term borrowing is determined as a result of these cash flow forecasts.

During 1989-90, the Money Management program involved managing the cash flow for over 1,700,000 cheques representing $10 billion of transactions processed through the Government's disbursement system and over 900,000 cheques, money orders, drafts and other items representing approximately 17,000 bank deposits processed through the receipts-handling system of Government.

Investment/Borrowing

Monitoring and management of the Government's cash flow during 1989-90 resulted in the Branch arranging 1,600 short term investment transactions aggregating over $25.0 billion of investment purchases and $2,606 million of investment sales. The Branch also arranged for the issue of $233 million of Promissory Notes to finance temporary short-falls resulting from differences in the timing of Government payments and receipts. Interest earned on these short term investments amounted to over $168.0 million while interest paid on the Promissory Notes issued was approximately $1.0 million. The Branch monitored the credit status of approximately two dozen approved investments and maintained appropriate exposure limits for each, recommending changes where necessary to minimize risk.

Trust Administration

Over 50 departments, Agencies and Crown Corporations are required to deposit surplus funds with the Minister of Finance in interest-bearing trust deposits. These trust funds averaged approximately $900.0 million in 1989-90. In excess of 2,600 trust deposit receipts were issued in 1989-90 and 2,800 payment vouchers processed by the Branch in respect to these deposits. Interest paid on these trust accounts in 1989-90 was in excess of $127.0 million.

Banking Operations

The Branch maintained a central index of approximately 700 accounts representing all Province of Manitoba bank accounts in all financial institutions in the Province. These accounts included Manitoba Public Insurance Corporation agents' accounts.

Debt and Investment Services Branch

The objectives of the Debt and Investment Services Branch which has been allocated 10 staff years are:

- To service the debt of the Province in accordance with all the terms and conditions of each loan thereby maintaining the reputation of the Province in world financial markets and maintaining the Province's ability to borrow on reasonable terms

- To safekeep and service the investments of the Province and certain Crown Corporations and Government Agencies

- To coordinate the preparation of Public Debt expenditure estimates and analyses.

Debt Servicing

As at March 31, 1990, the direct debt serviced by the Branch aggregated approximately $10.4 billion. This represents 31 debenture issues payable in Canadian dollars, 28 issues payable in U.S. dollars and 2 issues payable in Japanese Yen, as well as Treasury Bills, C.P.P. debentures and loans from the Government of Canada under special agreements, all payable in Canadian dollars. These amounts are inclusive of 34 currency and interest rate swaps arranged by the Capital Finance Branch.

The Province acts as its own transfer agent on all of its Canadian dollar denominated securities and on some of its U.S. dollar denominated securities. During the fiscal year ended March 31, 1990, 2,954 debentures and savings bonds were presented for transfer or exchange. These securities had a total value of $275 million and required 2,242 new securities to be issued.

In addition, 3,506 debentures with an aggregate value of $343 million were processed for early redemption in accordance with the terms of the issues and elections made by the registered holders.

Servicing the foreign debt obligations of the Province required the purchase of $378.8 million U.S. dollars, 26.3 million Deutsche Marks, 48.6 million Swiss Francs and 30.1 billion Japanese Yen. New borrowings in the United States required the sale of 873.7 million U.S. dollars.

Investment Servicing

The Branch services the Sinking Fund investments of the Province of Manitoba, Manitoba Hydro, Manitoba Housing and Renewal Corporation, Manitoba Water Services Board and the University of Manitoba as well as the long term investments of major accounts such as the Manitoba Public Insurance Corporation, the Civil Service Superannuation Board and the Workers Compensation Board. Securities safekeeping operations are provided for these and other accounts, including the Public Trustee.

The Branch processed 298 long term investment contracts with a total par value of $433.7 million and collected, deposited and allocated $278 million in interest and principal receipts on our long term investment holdings. These amounts are inclusive of 12 asset swaps into Canadian dollars.

Servicing the short term investments of the Province required the processing of 2,895 safekeeping instruction documents covering purchases, sales and maturities with a total value of $51.0 billion.

The Branch maintained safekeeping operations for securities owned by the Minister of Finance at a number of locations in Canada, the United States, Germany, Switzerland, Japan and Great Britain.

In order to meet its responsibilities in servicing the Province's debt and investments, the Branch operates a payment voucher and Treasury Cheque System for the Division. During 1989-90, 3,811 cheques were issued with a total value of $4.6 billion.

Public Debt Expenditure Estimates

The Branch is responsible for coordinating the preparation of Public Debt expenditure estimates and analyses.

The Public Debt appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the Province.

Expenditures by Sub-Appropriation

07-2 TREASURY DIVISION	Actual 1989/90 SY	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a) Salaries	29.13	958,810	29.13	1,008,500	(49,690)	
(b) Other Expenditures		385,967		505,500	(119,533)	1
(c) Payments re: Soldiers' Taxation Relief		1,795		3,000	(1,205)	

1. Completing the change in the compensation method for banking services, from compensating balances to a fee based structure was not finalized during the fiscal year. After the agreements are concluded, the anticipated increase in Other Expenditures is expected to be more than offset by increases in interest revenue credited to the Public Debt appropriation.

Public Debt

The following table sets forth certain information as to the funded debt of the Province issued for general Provincial programs (net of accumulated sinking funds) as at March 31 for the years 1986 through 1990, including per capita data based upon population at June 1, of the preceding calendar year.

	As at March 31				
	1986	1987	1988	1989	1990
Net General Provincial Program Debt (in millions) (1) (2)	$3,861	$4,621	$5,162	$5,249	$4,856
Per Capita	$3,629	$4,314	$4,784	$4,842	$4,476
As a Percent of Gross Domestic Product	21.8%	25.0%	26.3%	24.6%	21.2%
Net Cost of Servicing General Provincial Program Debt (in millions) (1)	$312	$410	$490	$440	$486
As a Percent of Provincial Revenue	10.0%	12.1%	12.1%	10.1%	10.4%

(1) Includes Manitoba Properties Inc.

(2) U.S. and other foreign currency debt are stated at the Canadian dollar equivalent using the exchange rates in effect on March 31 each year.

Expenditures by Sub-Appropriation

07-9 Public Debt (Statutory)	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Interest on the Public Debt of the Province and Expenses Incidental thereto	1,068,578,113	1,160,084,600	(91,506,487)	
Interest on Trust and Special Funds	127,732,523	94,800,000	32,932,523	
	1,196,310,636	1,254,884,600	(58,573,964)	
Less: Amounts of Interest and Other Charges Receivable from:				
Manitoba Telephone System	56,789,273	56,856,900	(67,627)	
Manitoba Hydro	267,012,187	293,639,500	(26,627,313)	
Manitoba Housing and Renewal Corporation	44,687,849	43,868,600	819,249	
Manitoba Agricultural Credit Corporation	24,433,053	25,660,400	(1,227,347)	
Other Government Agencies	5,221,318	4,364,200	857,118	
Other Loans and Investments	225,039,732	197,504,900	27,534,832	
Sinking Fund Investments	148,705,722	145,000,000	3,705,722	
	771,889,134	766,894,500	4,994,634	
Total	424,421,502	487,990,100	(63,568,598)	2

2. Actual expenditures to March 31, 1990 were $63.6 million lower than our printed estimate. Long-term financing, including currency swaps and refunding, the value of the Canadian dollar, and earnings on investments are the three major factors.

   Interest expense was $4.4 million lower than anticipated for several reasons. A decrease in the amount of new financing and refunding, along with favourable foreign currency levels produced a $20.5 million decrease in interest costs which were partly offset by a $16.1 million increase due to higher interest rates on floating rate debt.

   Amortization of foreign currency fluctuations on principal was $57.2 million lower than expected. This resulted from very favourable currency levels, currency swaps, and the call and re-issue/swap of four Japanese Yen issues.

   Earnings from investments including the Cash Management Program and the Provincial Sinking Fund increased by $1.9 million resulting in a decrease to expenditures. Interest on recoveries from Crown Corporations and final year principal maturity costs increased by $2.0 million.

   These major decreases to expenditures were partly offset by a $3.0 million increase in expenditures due to four Japanese Yen issues called prior to maturity.

COMPTROLLER'S DIVISION

The role of the Comptroller's Division of Manitoba Finance is to effectively support the decision-making process of the central Government with financial and management information, advice and analysis. Its major objectives are:

- To develop and establish the required framework for the effective control and the operation of the Government's financial management and information systems activities.

- To administer the operation of the Government's central payment and accounting systems in order to support the delivery of Government programs.

- To accurately report the financial activities of the Consolidated Fund.

The Division operates under the direction of the Provincial Comptroller. In addition to the Comptroller's Office, the Division is comprised of three Branches:

- Financial and Management Systems

- Disbursements and Accounting

- Information Systems Support.

Expenditures by Sub-Appropriation

07-3(a) Comptroller's Office	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	86,097	2.00	90,700	(4,603)	
Other Expenditures	3,151		3,600	(449)	

Financial and Management Systems Branch

The Financial and Management Systems Branch is responsible for developing policies, systems, processes and procedures in order to ensure the effective operation of the Government's financial management functions.

The Branch carried out these responsibilities through its three operating units:

- Policy Administration and Support

- Policy and Systems Development, and

- Computer Systems Support.

During 1989-90, the major projects initiated or completed by the Branch included:

- The development and implementation of new Departmental Annual Report Guidelines, designed to demonstrate performance and fiscal accountability throughout Government.

- The commencement and direction of two pilot applications of the Departments of Government Services and Family Services. These were initiated to allow for evaluation of the merit and practicality of the management approach proposed in Phase III of the Government's external independent review.

- The completion of the definition and reporting requirements of the Government Reporting Entity with respect to the consolidation of all Government financial statements in the Public Accounts by 1990/91. This was in response to the recom-

mendations of the Accounting Statement of the Public Sector Accounting and Auditing Committee.

- A detailed feasibility review and analysis of departmental requirements associated with the overall investigation into a Government-wide integrated financial information system.

- The preparation and distribution of several policy discussion papers and reports on topics which included corporate credit cards, comptrollership, and the role and structure of the Public Accounts Committee.

- The development and implementation of necessary policies, procedures and computer systems in support of cost saving measures relative to stop payment procedures and turnaround time reporting.

The Branch continued to supply all computer system maintenance services in support of the central Government financial systems. These systems, used by the Disbursements and Accounting Branch of the Department of Finance, provided payments to employees and suppliers and maintained official accounting records of the Province.

In addition, the Branch communicated and supported ongoing Government-wide financial management functions with the provision of the policy refinements included in the quarterly updates to the Government's Financial Administration Manual, the delivery of nine financial management training courses to 115 participants of the financial management community, the review and coordination of the preparation of departmental Estimates Supplements, and in conjunction with the Department of Agriculture, the delivery of a customized, interactive financial management orientation session.

As well, the Branch responded to concerns identified by the Provincial Auditor relative to Departments and Agencies of Government, and provided specialized consultative and problem resolution services.

Expenditures by Sub-Appropriation

07-3(b) Financial and Management Systems	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	674,047	16.00	645,100	28,947	
Other Expenditures	73,183		69,800	3,383	

Disbursements and Accounting Branch

The role of the Disbursements and Accounting Branch is to provide central processing, accounting and control for all receipts to, and disbursements from, the Consolidated Fund in accordance with governing legislation and established accounting policies and procedures. This Branch maintains the official accounting records of the Government and prepares financial statements and reports for presentation to the Legislature, the Public and for central and departmental use. The Branch also ensures that functional direction and guidance over the receipt and disbursement of public funds will be provided to departments in a comparative form, resulting in appropriate financial processes within the Province of Manitoba.

In order to perform its mandate, the Branch, with a staff of 65, has been organized into five sections.

These are:

- General Accounting
- Payroll Accounting
- Voucher Accounting
- Data Entry Support
- Shared Cost Agreements

During 1989-90, the Branch prepared, signed and issued 481,853 payroll cheques and 522,117 cheques to corporations, firms, individuals and other government agencies based on documents and supporting information submitted by the Government's operating departments. The Branch also signed and issued 590,323 social program cheques and 77,340 housing grant cheques.

Expenditures by Sub-Appropriation

07-3(c) Disbursements and Accounting	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	1,887,142	65.00	1,838,000	49,142	
Other Expenditures	949,939		1,008,600	(58,661)	
Recoveries from Other Appropriations	(486,535)		(495,000)	8,465	
Net Other Expenditures	463,404		513,600	(50,196)	

Information Systems Support Branch

The Information Systems Support Branch is responsible for the development and maintenance of Government-wide strategies for information systems management. It also provides analytical support to Treasury Board in monitoring compliance with resultant policies, procedures and guidelines as well as providing education and training programs and consultative services. Overall, the Branch is concerned with promoting the cost-effective and economic use of information technology in the public sector.

Information technology training was provided to approximately 600 employees. A cost-recovery process for courses was instituted. Six issues of the Branch Bulletin were published.

Consultative support and technical advice was offered to Government departments and agencies systems initiatives. Project management support was given to large projects, the Capital Finance system, the Manitoba Land Related Information system and the Integrated Financial Information system.

A $4 million Legislative Building Information System was planned, purchased and installed. A total of approximately 250 users consists of all Ministers, Deputy Ministers, Executive Council, the Speaker and Clerk of the Legislative Assembly, Hansard, the Leaders of the Opposition and all three Caucus offices.

The Branch has a staff of 24 and is divided into three operating units:

- Policy Development and Administration
- Legislative Building Information Systems
- Consulting and Education.

Expenditures by Sub-Appropriation

07-3(d) Information Systems Support	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	834,683	24.00	943,200	(108,517)	
Other Expenditures	156,976		194,100	(37,124)	
Systems Operations	191,697		486,800	(295,103)	1
Recoveries from Other Appropriations	(71,549)		(137,300)	65,751	2
Net Other Expenditures	277,124		543,600	(266,476)	

1. Maintenance and facilities management costs were not incurred due to late delivery/acceptance of equipment for Legislative Building Information System.

2. The policy to charge departments for courses provided to employees was not implemented until August 1989 although the Estimate was for a full year.

TAXATION DIVISION

The Taxation Division is responsible for administering all Provincial taxes excluding personal and corporate income taxes which are administered by the federal government on behalf of the Province.

Estimated revenues for 1989-90 of $1,403,584,900 exceeded actual revenues of $1,362,127,156, a revenue shortfall of $41,457,744 mainly attributable to unrealized estimated mining taxes of $64,514,357 due to lower base metal prices.

The cost of operating the Taxation Division for 1989-90 was $8,672,441, a saving below budgeted expenses of $288,059. The cost of operations was only .6% of revenues, the same as the previous year.

The Succession Duty Act, S215 was suspended effective October 11, 1977 and applied to the estates of persons dying after December 31, 1971. The revenues for 1989-90 were $48,451, represented mainly by payments of interest on duty deferred until the final beneficiary receives the bequest.

The Taxation Division is composed of three branches:
- The Retail Sales Tax Branch
- The Mining and Use Taxes Branch
- The Corporation Capital Tax/Health and Post Secondary Education Tax Levy (Payroll Tax) Branch

During this year the reorganization of the Taxation Division commenced and is expected to be completed prior to the end of the next fiscal year. This reorganization is based on "functions" rather than "statute-based" structures. The approved reorganization structure includes Administration, Audit, and Management and Research Branches. It is expected that the functionalized Taxation Division will improve effectiveness and efficiency in the delivery of taxation programs above that provided in the existing structure.

Expenditures by Sub-Appropriation

07-4(a) Taxation - Administration	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	411,871	8.00	326,000	85,871	
Other Expenditures	12,234		12,500	(266)	

The Retail Sales Tax Branch

The Branch administers The Retail Sales Tax Act which taxes certain services and goods purchased in Manitoba, or brought into the Province, for consumption. A number of exemptions are allowed. The tax rates are 12% on wine and spirits, and 7% on other goods and services.

The Retail Sales Tax Branch operated in 1989-90 at a cost of $3,863,231, an increase of 4.7% over 1988-89, with a staff of 93. The Branch's net revenue for 1989-90 amounted to $621,765,205, a 4.5% increase over 1988-89 revenue. Net revenue includes $12,073,300 resulting from audit and inspection activities.

During the year the Branch processed 224,547 sales tax returns from tax collectors/ taxpayers.

The following are some of the many other activities that were performed by the staff relative to the administration and enforcement of The Retail Sales Tax Act.

- Maintained a tax roll on all registered businesses that collect and/or pay the tax, which included processing 4,520 new business registrations and 4,406 terminations

- Controlled the issuance and usage of 103,500 pre-numbered tax reporting forms by Autopac Agents and the Driver and Vehicle Licencing Division of the Department of Highways and Transportation

- Processed and paid 13,552 refund claims from taxpayers, totalling $5,652,300

- Made a total of 32,072 calls by compliance staff, either by telephone or in person, on tax collectors/taxpayers for the purpose of informing them of the tax requirements, verifying refund claims, obtaining information for the tax roll, collecting delinquent tax returns and arrears and inspecting business records

- Collected $3,845,700 tax revenue from inspection of business records and other compliance activities

- With audit staff resources, audited the records of 567 businesses and recovered $8,227,600 tax revenue

- Carried out, in cooperation with other provinces, an audit of the 1986-87 tax payments made by the Federal Government under the Reciprocal Taxation Agreement.

Expenditures by Sub-Appropriation

07-4(b) Retail Sales Tax Branch	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	3,174,863	94.00	3,306,400	(131,537)	
Other Expenditures	688,368		638,900	49,468	

The Mining and Use Taxes Branch

The Mining and Use Taxes Branch operated at a cost of $2,577,200 in 1989-90, an approximate 12.8% increase over 1988-89 with a permanent staff level of 50. The Branch's revenue for 1989-90 was $476,511,100, a decrease of $16,994,600 over 1988-89. The Branch's expenses of $2,577,200 represent .54% of revenues, or a net return of $184.90 for every dollar invested. Included in the 1989-90 revenues are $1,063,628 of audit recoveries and $494,707 of compliance recoveries which would otherwise have been lost.

The Branch administered the following Statutes:

The Gasoline Tax Act - Imposes a per litre tax on all purchases of gasoline, aviation gasoline and gasohol subject to certain exemptions for farming, fishing, trapping and logging. The tax is collected through some 1500 retail dealers and 45 collectors, and amounted to $126,023,200.

Tax rates through 1989/90 are as follows:

	Tax Rate per Litre Prior to Sept. 5/89 cents	Tax Rate Per litre From Sept. 5/89 cents
Leaded gasoline	9.8	10.8
Unleaded gasoline	8.0	9.0
Leaded gasohol	7.3	7.3
Unleaded gasohol	5.5	5.5
Aircraft gasoline	5.8	5.8

The Mining Tax Act - Imposes a tax of 20% of the profit on mining operations. Revenue from this source in 1989-90 was $115,485,600, a decrease from the 1988-89 revenue of $151,325,000. This revenue change is attributable mainly to decreased prices in base metals and production problems of one of the main mining companies.

The Motive Fuel Tax Act - Imposes a per litre tax on all purchases of petroleum products that can be used in the operation of an internal combustion engine or for commercial heating that are not taxable under The Gasoline Tax Act, subject to certain exemptions for farming, fishing, trapping, logging and domestic home heating. The tax in 1989-90 was collected and remitted by 37 appointed collectors and directly by certain interprovincial truckers and propane dealers and amounted to $65,002,600.

Tax Rates through 1989-90 were as follows:

	Rate Per Litre
Diesel - On-Highway	9.9 cents
Locomotive Fuel	13.6 cents
Commercial Heating Oil	1.9 cents
Bunker for Commercial Heating	1.7 cents
Propane - Motor Vehicle Fill	5.7 cents
Propane - Cylinder Fill (per kg.)	4.3 cents
Propane - Bulk - Commercial Heating or Other Commercial	1.6 cents

The Pari-Mutuel Tax Act - Provides for a tax on the amount bet by every person who bets through the agency of a pari-mutuel system. Rates were 7.5% for a bet involving either one or two horses and 12.5% for bets involving three or more horses. Revenue from this source in 1989-90 amounted to $4,916,800, most of which is returned to the horse racing industry in the form of purse support grants administered through the Department of Industry, Trade and Tourism.

Part 1 of The Revenue Act - Imposes a tax on the purchase price of electricity, coal, and natural and manufactured gas delivered by a pipeline. The 7% tax was collected and remitted by 80 licensed dealers and amounted to $48,156,700 in 1989-90. Special exemptions were provided for heating domestic dwellings and farm buildings.

The Tobacco Tax Act - Imposes a tax on the purchase of cigarettes, cigars and other tobacco products. On July 10,1989 the rate for cigarettes changed from 5.5¢ per cigarette to 6.5¢ and the rate for tobacco from 1.9¢ per gram to 4.3¢. The tax was collected from 34 collectors and amounted to $116,854,900 for the 1989-90 year.

Actual to Budget

During 1989-90 actual revenues were lower than budget by $59,815,400 primarily as the result of lower than anticipated base metal prices and lower production for the mining industry.

During the year actual expenses at $2,577,200 were below budget by $211,300.

Activities - Compliance and Investigations

During the year the following successful prosecutions were dealt with by the courts:

Tobacco Tax Act	
-Failure to file T16	30
-False T16's	36
-Failure to Produce Records	1
-Acquiring tobacco other than from an authorized wholesaler	1
Gasoline Tax Act	
-Misuse of Coloured Gasoline - Commercial	3
Motive Fuel Tax Act	
-Misuse of Coloured Diesel - Commercial	11
-Filing of a False Return	1
Retail Sales Tax	
-False Return	1
-Failure to File & Remit	1
	85

There were approximately another 90 files in various stages which may involve prosecution under the various Taxation Statutes. For the year ended March 31, 1990 there were 216 charges laid against individuals for the use of marked gasoline in their private automobiles, out of a total of 17,965 vehicles checked.

Activities of Mining & Use Taxes Branch

On June 17, 1989, the Minister of Finance announced that a decision was made to move the Taxation Division towards a functionally based organization. As a result of this decision, the Branch was heavily involved both in the number of staff, and time, in all aspects of the proposed reorganization. This included; the design of the proposed organization structure, space planning, the staff levels required to fill the positions, writing job descriptions, meetings with personnel, and determining the tasks to be performed by the various job functions in all areas of the new organization.

As in past years, meetings have continued to take place with a group representing farmers to study proposals to provide farmers with tax-exempt fuels by means other than the coloured fuel program.

With the goal of further computerizing the audit section, research involving meetings and discussions with others in the field was conducted to determine the most effective computer assisted audit software packages for our needs. From this review the "IDEA" software package was selected and the purchase included in the current year's budget. To date, the Branch's use of computers has been limited to modelling various taxation options that have been proposed and spreadsheet working papers on audit. With the addition of the audit software packages, the Branch will have the ability to extract data directly from taxpayer computer files and to test the accuracy of taxpayer computer systems that relate to taxation.

As a result of a meeting of the "Minister's Task Force on Mining in Manitoba", it was proposed that the mining industry in conjunction with the Provincial Government would study various incentive programs that would stimulate the mining industry in Manitoba. Several meetings were held throughout the year evaluating various options that would be beneficial both to the Government and the mining industry. A final report is expected some time toward the middle of the current fiscal year.

During the past three years, the Branch has been involved with the oil industry in providing the farm market with a program of hand dyeing unleaded gasoline in farmers' tanks. In December of 1990, as a result of federal restrictions, leaded gasoline will no longer be available in the fuel market. In order to assist the oil industry in this transitional phase, Manitoba has allowed the oil companies to hand dye leaded gasoline and has stopped the hand dying of unleaded gasoline. The Branch has had extensive involvement in the monitoring and controlling of these hand dyeing programs.

In 1988, Manitoba appointed certain remote Indian bands as collectors under The Gasoline Tax Act. The Branch has been involved in monitoring the effectiveness of this program in providing tax free fuel to Indians on the reserve and ensuring that tax leakage is minimal.

During the year the Branch has pursued its claim in the courts, under The Tobacco Tax Act, that tax monies not remitted for tobacco products sold to customers by a collector or its agent are trust monies that are properly due to the Crown, prior to any claims by preferred creditors in a Receivership or Bankruptcy. At the present time, there is no firm court date. This matter is of great importance to the Branch and the Taxation Division as a whole because the outcome will impact on all Taxation Statutes.

The audit area also reviewed natural gas purchase contracts of various taxpayers under The Revenue Act to determine if the appropriate amount of tax was remitted. As a result of this review, it was determined that tax had not been remitted on some arrangements (T-Service contracts) while tax had been over-remitted on other arrangements (Buy/Sell contracts).

Expenditures by Sub-Appropriation

07-4(c) Mining and Use Taxes Branch	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	1,947,780	54.26	2,053,800	(106,020)	
Other Expenditures	418,110		523,400	(105,290)	

The Corporation Capital Tax/Payroll Tax Branch

The Corporation Capital Tax/Payroll Tax Branch operated at a cost of $2,019,215. for the 1989-90 fiscal year, a 1/2 of 1% decrease over 1988-89 with a permanent and term staff complement of 44.48 resulting in a net return of $131.00 for every dollar expended. The Branch's revenue for 1989-90 amounted to $263,792,361., a 2% increase over 1988-89. Included in 1989-90 revenues is $3,589,190. of audit and compliance recoveries.

The Branch administers the following statutes:

The Corporation Capital Tax Act - imposes a tax on corporations' taxable paid-up capital, as defined in the Act. This, in general terms, is equal to "net funds" invested in corporations. "Funds" include all types of investments such as mortgages, loans and shareholders' equity. If the taxable paid-up capital is less than $1,000,000. the corporation is exempt from this tax. 1989-90 revenues were $72,524,672. Rates, at March 31, 1990, were:

- General Rate - 3/10ths of 1%
- Surtax of 2/10ths of 1% on taxable capital in excess of $10,000,000.
- 3% rate for Banks and Trust and Loan Corporations

The Health & Post Secondary Education Tax Levy Act - imposes a tax on employers' total annual gross remuneration paid to their employees. Employers, who paid total gross remuneration less than $300,000. annually were exempt up to December 31, 1989. The tax exemption level was increased to $600,000. effective January 1, 1990.

Revenues from the tax amounted to $191,267,689. in 1989-90. The tax rate of 2.25% has been effective since April 1, 1987. Prior to that date, the tax rate was 1.5%

The Corporation Capital Tax Roll At March 31, 1990, totals 41,546 accounts composed of:

Active Accounts	8,810
Exempt Accounts (1)	26,853
Inactive Accounts (2)	5,883
Total Taxpayers on file	41,546

1) These accounts although less than the threshold exemption of $1,000,000. are required to file an Annual Return to substantiate their current tax status. This provides the administrative control mechanism vis-a-vis continued exemption or change to taxable status.

2) These accounts are included in the taxroll as they represent business entities that have incorporated but are not as yet carrying on business (e.g. shelf corporations).

The Payroll Tax Roll at March 31, 1990, totals 42,894 accounts comprised of:

Active Accounts (1)	2,068
Exempt Accounts (2)	38,010
Other (inactive, no commencement date) (3)	2,816
Total Taxpayers on file	42,894

1) Includes monthly, seasonal and reduced tax rate taxpayers who file a Payroll Tax return as required.

2) Exempt Taxpayers file "Annual Declaration of Salaries Paid" returns to substantiate their current tax status.

3) These entities are on the taxroll as they have advised that they intend to carry on an active operation at some future date, not as yet known.

Expenditures by Sub-Appropriation

4(d) Corporation Capital Tax/Payroll Tax Branch	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Salaries	1,529,379	46.12	1,504,400	24,979	
Other Expenditures	489,836		595,100	(105,264)	

Comparative Statement of Revenues

For Fiscal Years Ending March 1986 to March 1990

	1985-86 $	1986-87 $	1987-88 $	1988-89 $	1989-90 $
Corporation Capital Tax	29,628,583	40,571,178	58,382,530	59,672,532	72,524,672
Gasoline Tax	114,631,043	115,729,776	119,550,305	121,956,873	126,023,235
Health and Post Secondary Education Tax Levy	118,850,387	126,578,471	187,537,909	199,191,511	191,267,689
Succession Duty & Gift Tax	78,548	100,823	78,521	322,631	58,452
Mining Claim Lease Tax	76,723	74,985	75,033	71,301	71,241
Mining Tax	13,738,676	48,106,236	28,297,000	151,324,973	115,485,643
Motive Fuel Tax	49,579,631	56,956,011	71,561,908	64,875,614	65,002,607
Oil & Gas Production Tax(1)	14,293,355	7,249,097	8,357,582	5,705,303	-
Pari Mutuel Tax	5,272,228	5,080,039	5,193,472	5,034,777	4,916,754
Retail Sales Tax	436,790,783	463,027,709	566,998,872	594,707,948	621,730,443
Revenue Act, Part 1	34,160,684	32,642,408	41,414,144	45,811,809	48,156,722
Tobacco Tax	77,701,549	91,660,199	93,906,690	98,724,970	116,854,936
	894,802,190	987,776,932	1,181,353,966	1,347,400,242	1,362,092,394

(1) 1985 to 1987 revenues under The Oil and Natural Gas Tax Act. This Act was replaced by The Oil and Gas Production Tax Act as at April 1, 1987. In 1989-90 the enforcement and control of this Act was transferred to the Department of Energy and Mines.

FEDERAL-PROVINCIAL RELATIONS AND RESEARCH DIVISION

The Federal-Provincial Relations and Research Division primary goals are:

- to provide research, technical and analytical support in respect of national and provincial fiscal and economic matters and intergovernmental financial relations including cost-shared programs

- to administer fiscal arrangements and tax collection agreements with the Federal Government and to administer tax credit programs with the Federal Government and municipalities.

Major areas of responsibility include intergovernmental fiscal relations, economic and fiscal policy analysis and tax policy formulation.

The Division is comprised of three branches and an administrative unit as follows:

- Intergovernmental Fiscal Analysis Branch

- Economic and Fiscal Analysis Branch

- Taxation Policy Analysis Branch which is also responsible for the Tax Assistance Office.

For Estimates purposes in 1989-90 the Division expenditures were noted under the Sub-Appropriation headings of:

- Economic and Federal-Provincial Research

- Manitoba Tax Assistance Office.

The Division's senior staff consists of the Assistant Deputy Minister and the Directors of the Intergovernmental, Economic and Taxation Branches.

Intergovernmental Fiscal Analysis Branch

The Intergovernmental Fiscal Analysis Branch includes five staff positions.

The Branch Director and staff undertake on-going analysis of intergovernmental fiscal transfers generally in respect of personal and corporate income tax collections, federal financing for health, higher education and social programs,equalization, reciprocal taxation and some aspects of provincial/local government fiscal arrangements.

Total Provincial revenues governed by Federal-Provincial fiscal arrangements and administered by the Fiscal Analysis Branch in 1989-90 amounted to $1,031.1 million in personal income tax; $152.3 million in corporate income tax; $909.5 million in equalization payments; $430.8 million in cash payments for health and education; $15.1 million from the Reciprocal Taxation Agreement and $2,216.4 million in other unconditional subsidies.

The Intergovernmental Fiscal Analysis Branch also provided support in administering Provincial-Municipal Tax-Sharing payments.

The Intergovernmental Fiscal Analysis Branch provides fiscal analysis necessary for the Minister and Cabinet to develop the Budget and is responsible for the production of the Budget and Budget-related communications.

The Branch Director and staff represent the Province at Federal-Provincial meetings and on working groups on fiscal data, fiscal arrangements and other Department of Finance issues. In addition, the Branch also serves as the focal point for the review of all proposed new Government regulations and amendments to existing Government regulations.

Economic and Fiscal Analysis Branch

The Economic and Fiscal Analysis Branch includes four staff positions.

The Branch's mandate is to provide economic and fiscal analysis of national, regional and Provincial

matters to the Minister and Cabinet, as well as for use by various departments in policy development and Estimates preparation.

The Branch monitors and reviews a wide variety of both private and public analyses and forecasts and maintains an extensive information base in order to meet its objective.

The Branch Director and staff represent the Province on Federal-Provincial committees and working groups and provides economic analytical support for Ministerial and First Ministers' meetings. As well, the Branch provides interdepartmental co-ordination of economic analysis through the Interdepartmental Economic Outlook Group.

The Branch prepares the Economic Reviews presented with the Budgets and Financial Reports, as well as extensive major reviews for ministerial and consultative presentations.

An important and ongoing task of the Branch is to prepare major components of Provincial borrowing prospectuses and securities registration statements in regard to economic and financial data and to represent the Province in "due diligence" examinations of borrowing documents. An additional related task is to prepare major presentations for financial institutions and credit-rating agencies and to co-ordinate supporting presentations from other departments of Government.

Taxation Policy Analysis Branch

The Taxation Policy Analysis Branch has five staff years assigned with a further 11.26 staff years available for full and term positions in the Tax Assistance Office.

The Taxation Policy Analysis Branch develops recommendations for the Minister and Cabinet for taxation policy and for specific tax measures and tax credits. Tax measures are implemented through Budgets and legislation of the Province and for income taxes through the Federal-Provincial Tax Collection Agreement.

The Branch undertakes a wide variety of analytical activities, and for this purpose, maintains current and historical tax data files, and monitors taxation systems across Canada.

The Branch has responsibility to review and analyse the effects of various federal tax measures and proposals. This work entails participation in Federal-Provincial working groups and ministerial meetings relevant to these matters. In 1989-90 continuing work on major federal Tax Reform proposals was undertaken particularly with respect to the federal Goods and Services tax. The Branch prepared a number of presentations and reports dealing with the implications of federal tax initiatives on the Province.

The Branch Director supervises the Tax Assistance Office and the several programs administered in that office. These include the Manitoba Tax Credit programs, several programs related to Manitoba personal income tax, and the Manitoba Small Business Tax Reduction. These programs were distributed to approximately 500,000 Manitobans in 1989-90. The Tax Assistance Office also assisted 11,500, primarily elderly Manitobans, in completing their income tax and related forms, processed 10,000 applications, and answered 60,000 telephone inquiries.

Administrative Unit

This unit, with a staff of four, provides administrative support, word processing, library skills, research, and other organizational and technical support for the Assistant Deputy Minister and the Branches of the Division.

Expenditures by Sub-Appropriation

07-5 Federal-Provincial Relations and Research Division	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a) Economic and Federal-Provincial Research					
Salaries	856,870	20.13	865,800	(8,930)	
Other Expenditures	247,880		289,100	(41,220)	
(b) Manitoba Tax Assistance Office					
Salaries	254,063	11.26	313,200	(59,137)	
Other Expenditures	36,609		64,400	(27,791)	

Revenue From Federal-Provincial Fiscal Arrangements

For Fiscal Years Ending March 1986 to March 1990

	1985-86 ($'000)	1986-87 ($'000)	1987-88 ($'000)	1988-89 ($'000)	1989-90 ($'000)
Income Taxes					
Individual Income Tax	649,698.6	760,143.6	989,070.0	1,029,942.6	1,031,093.7
Corporation Income Tax	126,538.8	119,358.4	167,024.9	201,057.3	152,327.3
Sub Total	776,237.4	879,502.0	1,156,094.9	1,230,999.9	1,183,421.0
Federal Transfers					
Equalization	470,253.0	508,359.0	620,464.0	863,096.0	909,727.0
Established Programs - Cash Transfer	410,134.0	418,209.0	434,081.0	426,056.0	430,832.0
Reciprocal Taxation Agreement	16,507.6	13,407.5	17,855.8	16,497.0	14,890.0
Other Transfers	2,296.7	2,201.3	2,224.4	2,214.3	2,216.4
Sub Total	899,191.3	942,176.8	1,074,625.2	1,307,863.3	1,357,665.4
Total from Fiscal Arrangements	1,675,428.7	1,821,678.8	2,230,720.1	2,538,863.2	2,541,086.4

Note: Additional revenue information is provided on pages 52-59 inclusive.

REVENUE VARIANCE EXPLANATIONS ACTUAL TO BUDGET FOR THE FISCAL YEAR 1989-90

Corporation Income Tax

Corporation income tax revenue was $152.3 million or $15.0 million below the budget estimate of $167.3 million. The variance is primarily attributable to receipt in 1989-90 of advance payments from the Federal Government in respect of the 1989 and 1990 tax years which were $15.6 million below the Budget estimate ($193.3 million actual versus $208.8 million budgeted). This was partially offset by a federal recovery from advance payments in respect of the 1988 tax year of $40.9 million or $0.6 million less than the recovery of $41.5 million estimated in the Budget. Advance payments from the Federal Government for a tax year are based on their estimate of national corporate taxable income and the most recent provincial shares of actual assessed returns for a tax year. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

Individual Income Tax

Individual income tax revenue was $1,031.1 million or $7.4 million below the Budget estimate of $1,038.5 million. The variance is attributable to the receipt in 1989-90 of advance payments from the Federal Government in respect of the 1989 and 1990 tax year which were $7.5 million above the Budget estimate -- $1,078.0 million versus $1,070.5. Offsetting these increases is $28.0 million in child tax reduction benefits with respect to 1989 budget measures, which were not deducted from 1989-90 federal payments, but are accounted for as a reduction in 1989-90 revenue. A further increase from budgeted revenue of $13.1 million resulted from a federal recovery from advance payments in respect of the 1988 tax year of $18.9 million as compared to the $32.0 million budgeted reduction. Advance payments from the Federal Government for a tax year are based on their estimate of national basic tax and the most recent provincial shares of actual assessed returns for a tax year, plus provincial estimates of the provincial income tax surtax, and reductions and credits. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

Reciprocal Taxation Agreement

Reciprocal Taxation Agreement receipts were $14.9 million or $3.1 million less than the $18.0 million budgeted. The variance was due to a shortfall in advance payments with respect to the current fiscal year of $1.4 million and a recovery of advance payments with respect to prior years of $1.5 million.

Equalization

Equalization receipts were $909.7 million or $57.2 million more than the Budget estimate of $852.5 million. The variance is attributable to the receipt of estimated entitlements for the 1989-90 fiscal year of $832.4 million or $6.8 million more than the $825.6 million budgeted, plus receipt of positive prior years' adjustments with respect to the 1987-88 and 1988-89 fiscal years of $77.1 million or $50.2 million more than the Budget estimate.

Equalization entitlements are estimated based on data with respect to provincial revenues and to relative provincial fiscal capacity as measured by 36 tax base calculations. Entitlements are revised and payments altered on the basis of current data updating provincial revenue and tax base data.

Established Programs Cash Transfer

The Established Programs Cash Transfer receipts were $430.8 million, $20.9 million less than the budgeted total of $451.7 million. The variance is attributable to receipts of entitlements with respect to the 1989-90 fiscal year of $449.4 million or $2.6 million less than the Budget estimate of $452.0 million and federal recoveries in respect of advance payments for the 1987-88 and 1988-89 fiscal years of $18.6 million or $18.3 million more than the recovery of $0.3 million in the Budget estimate.

Entitlements were calculated from a per capita base escalated by growth related to Gross National Product (GNP) from which is deducted the value of 13.5 equalized personal income tax points and 1.0 equalized corporate income tax point. Entitlements and payments are recalculated as revisions to GNP, provincial population and the value of the equalized tax points become available.

REVENUE VARIANCE EXPLANATIONS ACTUAL 1989-90 TO ACTUAL 1988-89

Corporation Income Tax

Corporation income tax revenue decreased by $48.8 million from $201.1 million in 1988-89 to $152.3 million in 1989-90. The variance in revenue was caused primarily by:

- a reduction in payments with respect to the 1989 and 1990 tax years (as compared to advance payments for the 1988 and 1989 tax years received in the 1988-89 fiscal year) of $18.9 million, reflecting lower national corporate taxable income

- an increase of $0.4 million in payments under the Provincial-Municipal Tax Sharing Act, based on allocations from 1988 tax year revenue

- a decrease of $3.2 million in the Public Utilities Income Tax Transfer reflecting a negative adjustment in respect of the 1988 tax year

- an increase of $26.6 million in federal recoveries from advance payments in respect of the 1988 Tax Year (as compared to federal recoveries in the 1988-89 fiscal year for the 1987 tax year).

Advance payments from the Federal Government for a tax year are based on this estimate of national corporate taxable income and the most recent provincial shares of actual assessed returns for a tax year. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

Individual Income Tax

Individual income tax revenue increased by $1.2 million from $1,029.9 million in 1988-89 to $1,031.1 million in 1989-90. The variance was primarily due to:

- an increase in advance federal payments in respect of the 1989 and 1990 tax years (as compared to advance payments for the 1988 and 1989 tax years received in the 1988-89 fiscal year) of $38.6 million reflecting higher estimates of taxable income; partially offset by the rate reduction and $28.0 million in additional tax reductions introduced in the 1989 Manitoba Budget

- increased payments of $1.3 million under the Provincial-Municipal Tax Sharing Act, based on allocations from 1988 tax year revenue, which resulted in decreased revenue to the Province

- an increase of $7.1 million in federal recoveries from advance payments in respect of the 1988 tax year (as compared to recoveries in the 1988-89 fiscal year for the 1987 tax year).

Advance payments from the Federal Government for a tax year are based on their estimate of national basic tax and the most recent provincial shares of actual assessed returns for a tax year, plus provincial estimates of the provincial income tax, surtax, and reductions and credits. Adjustments are made on the basis of actual assessments for a province for each particular tax year.

Reciprocal Taxation Agreement

Reciprocal taxation receipts in 1989-90 were $14.9 million or $1.6 million less than receipts of $16.5 million in 1988-89. The variance was due to a reduction in advance payments of $0.7 million with respect to the current fiscal year (to $16.7 million) and a change in recoveries of advance payments with respect to prior years to $1.5 million in 1989-90 from $0.8 million in 1988-89.

Equalization

Equalization receipts in 1989-90 were $909.7 million or $46.6 million more than 1988-89 equalization receipts of $863.1 million. This variance was due to:

- an increase of $80.8 million in estimated current year entitlements paid from $751.6 million in 1988-89 to $832.4 million in 1989-90

- a decrease of $34.5 million in receipt of adjustments in respect of prior fiscal years from $111.6 million in 1988-89 to $77.1 million in 1989-90.

Equalization entitlements are estimated based on data with respect to provincial revenues and to relative provincial fiscal capacity as measured by 36 tax base calculations. Entitlements are revised and payments altered on the basis of current data updating provincial revenue and tax base data.

Established Programs Cash Transfers

The Established Programs Cash Transfers were $430.8 million in 1989-90 or $4.7 million more than the $426.1 million received in 1988-89. The variance is attributable to:

- receipts of entitlements with respect to the current fiscal year of $449.4 million in 1989-90 or $0.9 million more than the $448.5 million in 1988-89

- federal recoveries in 1989-90 in respect of advance payments for the 1987-88 and 1988-89 fiscal years of $18.6 million or $3.8 million less than federal recoveries in respect of prior years in 1988-89.

Entitlements were calculated from a per capita base escalated by growth related to Gross National Product (GNP) from which is deducted the value of 13.5 equalized personal income tax points and 1.0 equalized corporate income tax point. Entitlements and payments are recalculated as revisions to GNP, provincial population and the value of the equalized tax points become available. The per capita base has been frozen by the 1990 Federal Budget, for the 1990-91 and 1991-92 fiscal years.

INSURANCE AND RISK MANAGEMENT BRANCH (details are shown on pages 15 to 17).

TREASURY BOARD SECRETARIAT

The Treasury Board Secretariat provides financial and analytical support to Treasury Board, the Minister of Finance, and to Cabinet. The Secretariat is headed by a Deputy Minister who acts as Secretary to Treasury Board.

The major functions fulfilled by the Secretariat include:

- Development and implementation of the annual estimates process

- Review and analysis of departmental estimates

- Preparation of the Annual Estimates of Expenditure and Revenue

- Providing advice and assistance to departments related to Treasury Board matters

- Analysis of departmental Treasury Board Submissions

- Monitoring and reporting on the status of the Province's expenditures and revenues

- Development of processes aimed at fostering longer-term fiscal planning activities and multi-year budgeting

- Cooperative review and analysis of the Government's program base

- Review and development of Administrative Policy and maintenance of the General Manual of Administration.

The 1989-90 Estimates of Expenditure and Revenue were tabled in the Legislature with The 1989 Manitoba Budget on June 5, 1989. As part of its continuing commitment towards a multi-year budgeting framework, the Government for the first time included in the Budget a section on Long-Term Fiscal Planning. In addition, the establishment of The Fiscal Stabilization Fund was outlined in the Budget. The Fiscal Stabilization Fund represents another step in the Government's plan to enhance long-term fiscal planning. The fund will be used as a fiscal shock absorber, helping the Province cushion volatility in provincial revenues and assure a more stable basis for provincial fiscal decisions. The Fiscal Stabilization Fund Act received Royal Assent on December 13, 1989.

A reorganization of the Secretariat occurred during 1989-90 with a focus towards a more compact structure and more integrated decision-making. In addition, an Associate Secretary to Treasury Board was appointed for the first time.

Administrative Support Services

Administrative Support Services provides administrative and word processing support to the Secretariat. The Unit maintains all ongoing secretarial requirements, coordinates and organizes Treasury Board meetings and requisite agenda and minutes, and coordinates and maintains the records system.

Fiscal Planning Office

The Fiscal Planning Office is responsible for developing fiscal strategy and planning options for the Government of Manitoba. This is accomplished through the maintenance of an effective budget/planning cycle within an overall fiscal framework. The office develops, implements and coordinates the annual Estimates process, and finalizes the Estimates of Expenditure and Revenue for tabling in the Legislature. The Office prepares legislation and support information related to specific money bills, and develops and implements such processes that are necessary to maintain the orderly business of government.

The Fiscal Planning Office is also responsible for monitoring the fiscal status of the Government and preparing reports, ensuring that the Government has accurate, timely and relevant information on its fiscal position. Financial and operational information is provided to senior management of the Province to facilitate sound financial management of Government programming.

Analytical Units

These two Units, aligned roughly on the basis of social and economic government programs, are responsible for providing ongoing analysis, advice and recommendations in support of the Treasury Board decision-making process, with respect to program, policy and financial direction for a portfolio of departments. The Units monitor, analyze and advise on departmental activities, ensuring the effective, efficient and consistent delivery of government policies and priorities. In addition, the Analytical Units support and assist the activities of the Fiscal Planning Office and the Program Review Office.

The Units are major participants in the development of the annual Estimates of Expenditure and Revenue. They work with assigned departments in the preparation of annual Estimates. They analyze departmental Estimates and evaluate whether the proposed Estimates meet fiscal guidelines, as well as evaluate alternative strategies. They provide advice and recommendations to Treasury Board on program, policy and resource allocation issues. They communicate and review with assigned departments the finalized departmental Estimates.

The Analytical Units provide ongoing advice and analysis to Treasury Board by reviewing departmental Treasury Board Submissions and providing assessments and recommendations. Other activities include participating in departmental reviews and studies; providing advice to departments on Treasury Board guidelines and procedures as well as on various policy and financial issues; monitoring the program and financial status of departments; analyzing and reporting on departmental financial information to ensure compliance with government policy and financial objectives; and working with senior departmental personnel to ensure the necessary communication between Treasury Board and departments is maintained.

Administrative Policy Office

This Office is responsible for developing, communicating, interpreting, monitoring, and evaluating government administrative policies. These policies direct, guide, and assist departmental managers in managing government programs and resources in a way that reflects the Government's fiscal strategy, and are part of the ongoing Government control process.

In the development phase of an administrative policy, the Office consults with other offices of the Secretariat and with departments to identify policy-related problems and potential solutions. To communicate administrative policies, the Office publishes the General Manual of Administration and updates it periodically. The Office also advises and assists departments in the interpretation of administrative policies and procedures.

Program Review Office

This Office is responsible for extensive, specialized review of policy and program issues. The Office provides in-house program review capabilities to aid departments in ensuring that programs are effective, efficient and fit the fiscal management goals of Government.

Within the context of relevant social, economic and fiscal factors, the Office reviews programs having a major fiscal impact. During a program review, the Office in consultation with affected departments, identifies program strengths and weaknesses, discusses options for resolving problems and makes recommendations to increase the effectiveness and efficiency of the review subject.

Expenditures by Sub-Appropriation

07-7 Treasury Board Secretariat	Actual 1989/90 $	Estimate 1989/90 SY	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a) Office of the Secretary					
Salaries	103,769	2.00	104,000	(231)	
Other Expenditures	3,336		3,400	(64)	
(b) Secretariat					
Salaries	1,628,946	45.00	1,829,500	(200,554)	
Other Expenditures	276,165		301,200	(25,035)	

TAX CREDIT PAYMENTS

Consists of Property, Cost of Living Tax Credit Payments, Political Contributions Tax Credit and the related administration fee paid to the Federal Government. The primary purpose of these programs is to provide income related support to offset Manitoba's Retail Sales Tax, property and school taxes.

Expenditures by Sub-Appropriation

07-8 Tax Credit Payments	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Property Tax Assistance (Includes Pensioners' School Tax Assistance)	173,754,024	180,300,000	(6,545,976)	1
Cost of Living Tax Credit	72,647,609	66,500,000	6,147,609	1
Political Contributions Tax Credit	1,115,806	1,100,000	15,806	
Administration Fee	813,000	900,000	(87,000)	
Total	248,330,439	248,800,000		

1. 1988 Cost of Living Tax Credit entitlements were higher than anticipated, largely as a result of basic changes to the calculation of personal exemptions/credits, introduced in 1988 as part of federal income tax reform. The higher Cost of Living Tax Credit payments were offset by lower Property Tax Credit payments resulting from slower household formation and higher net family incomes.

PUBLIC DEBT (details are shown on pages 22 and 23).

HYDRO RATES STABILIZATION (STATUTORY)

Provides for stabilizing Manitoba Hydro's cost of foreign currency borrowing. Effective April 1, 1989 Manitoba Hydro has taken over responsibility for foreign denominated debt issued by or on behalf of the Corporation.

Expenditures by Sub-Appropriation

07-10 Hydro Rates Stabilization (Statutory)	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Hydro Rates Stabilization	Nil	Nil		

EXPENDITURES RELATED TO CAPITAL

Acquisition of physical assets required for the implementation of the Legislative Building Integrated Office System component of the Wang/Manitoba Strategic Agreement.

Expenditures by Sub-Appropriation

07-11 Expenditures Related to Capital	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
(a) Acquisition/Construction of Physical Assets	363,258	1,162,900	(799,642)	1

1. Equipment was not received according to plan or did not meet acceptance criteria.

UNBUDGETED STATUTORY PAYMENTS

Expenditures by Sub-Appropriation

07-12 Queen's Bench Suit #1367/78 - 282/86 (Statutory)	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Queen's Bench Suit #1367/78 - 282/86	1,789,084	Nil	1,789,084	1

1. The Supreme Court of Canada awarded a judgment of $2,075,600 plus interest to the plaintiff in a Suit against the Government. Interim payments were made during the period that the case was under appeal and the final payment was made in 1989-90.

Expenditures by Sub-Appropriation

07-13 Payment of Claim Under the Financial Administration Act	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Payment of Claim under The Financial Administration Act	1,000	Nil	1,000	1

1. Payment to an individual to prevent litigation against the Government.

Expenditures by Sub-Appropriation

07-14 Loan Guarantee Payments (Statutory)	Actual 1989/90 $	Estimate 1989/90 $	Variance Over (Under)	Expl. No.
Loan Guarantee Payment	89,872	Nil	89,872	1

1. The Co-operative Loans and Loans Guarantee Board was required to honour its obligation pursuant to a guarantee provided in 1985 to the Winnipeg Arts Club Co-operative Inc. The Co-operative was placed into receivership in November 1986 and, after final liquidation, the Board was required to pay its guarantee to the extent of $89,871.81.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90	Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
	07-1 Administration and Finance				
$ 20,600	(a) Minister's Salary	$ 20,531	$ 20,610	$ (79)	
	(b) Executive Support				
289,500	Salaries	289,437	301,619	(12,182)	
107,700	Other Expenditures	98,904	108,768	(9,864)	
	(c) Financial and Administrative Services				
214,600	Salaries	220,408	216,218	4,190	
34,800	Other Expenditures	28,911	34,484	(5,573)	
	(d) Human Resource Management				
161,800	Salaries	180,053	155,496	24,557	
21,800	Other Expenditures	21,708	20,799	909	
$ 850,800	Total 07-1	$ 859,952	$ 857,994	$ 1,958	
	07-2 Treasury Division				
$1,008,500	(a) Salaries	$ 958,811	$ 847,901	$110,910	
505,500	(b) Other Expenditures	385,966	428,209	(42,243)	
3,000	(c) Payments re: Soldiers' Taxation Relief	1,795	2,093	(298)	
$1,517,000	Total 07-2	$1,346,572	$1,278,203	$ 68,369	

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90		Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
	07-3	Comptroller's Division				
		(a) Comptroller's Office				
$ 90,700		Salaries	$ 86,097	$ 87,488	$ (1,391)	
3,600		Other Expenditures	3,151	3,465	(314)	
		(b) Financial and Management Systems				
645,100		Salaries	674,047	625,903	48,144	
69,800		Other Expenditures	73,183	567,756	(494,573)	1
		(c) Disbursements and Accounting				
1,838,000		Salaries	1,887,142	1,734,519	152,623	
1,008,600		Other Expenditures	949,939	1,065,084	(115,145)	
(495,000)		Less: Recoverable from Other Appropriations	(486,535)	(502,520)	15,985	
		(d) Information Systems Support				
943,200		Salaries	834,683	626,965	207,718	2
194,100		Other Expenditures	156,976	201,525	(44,549)	
486,800		Systems Operations	191,697	0	191,697	3
(137,300)		Less: Recoverable from Other Appropriations	(71,549)	(56,075)	(15,474)	
$4,647,600	Total 07-3		$4,298,831	$4,354,110	$ (55,279)	

1. Decrease of $494,736 in Other Expenditures is attributed to the non-recurring professional consulting contracts for a three-part Independent Review of the Government of Manitoba.

2. The major portion of this increase in the salaries appropriation for the Information Systems Support Branch reflects the additional staffing required to implement the Legislative Building Information System.

3. The expenditures in 1989-90 relate to the Legislative Building Information System that was introduced during this fiscal year.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90		Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
	07-4	Taxation Division				
		(a) Administration				
$ 326,000		Salaries	$ 411,871	$ 295,857	$116,014	4
12,500		Other Expenditures	12,233	9,810	2,423	
		(b) Retail Sales Tax Branch				
3,306,400		Salaries	3,174,863	2,992,164	182,699	
638,900		Other Expenditures	688,369	697,996	(9,627)	
		(c) Mining and Use Taxes Branch				
2,053,800		Salaries	1,947,780	1,793,418	154,362	
523,400		Other Expenditures	418,110	464,761	(46,651)	
		(d) Corporation Capital Tax/Payroll Tax Branch				
1,504,400		Salaries	1,529,379	1,504,687	24,692	
595,100		Other Expenditures	489,836	475,709	14,127	
$8,960,500	Total 07-4		$8,672,441	$8,234,402	$438,039	
	07-5	Federal-Provincial Relations and Research Division				
		(a) Economic and Federal-Provincial Research Branch				
$ 865,800		Salaries	$ 856,870	$ 876,246	$(19,376)	
289,100		Other Expenditures	247,880	271,442	(23,562)	
		(b) Manitoba Tax Assistance Office				
313,200		Salaries	254,063	291,120	(37,057)	
64,400		Other Expenditures	36,609	37,513	(904)	
$1,532,500	Total 07-5		$1,395,422	$1,476,321	$(80,899)	

4. The major portion of this increase is associated with staff retirement.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90		Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
	07-6	Insurance and Risk Management				
$ 154,800		(a) Salaries	$ 158,310	$ 138,025	$ 20,285	
12,300		(b) Other Expenditures	12,790	12,265	525	
1,903,500		(c) Insurance Premiums	1,307,412	1,500,352	(192,940)	
(952,500)		(d) Less: Recoveries from Other Appropriations	(481,049)	(718,672)	237,623	5
$ 1,118,100	Total 07-6		$ 997,463	$ 931,970	$ 65,493	
	07-7	Treasury Board Secretariat				
		(a) Office of the Secretary				
$ 104,000		Salaries	$ 103,769	$ 104,484	$ (715)	
3,400		Other Expenditures	3,336	2,705	631	
		(b) Secretariat				
1,829,500		Salaries	1,628,946	1,540,739	88,207	
301,200		Other Expenditures	276,165	312,642	(36,477)	
$ 2,238,100	Total 07-7		$ 2,012,216	$ 1,960,570	$ 51,646	
$248,800,000	07-8	Tax Credit Payments	$248,330,439	$236,082,382	$12,248,057	6

5. Insurance premium recoveries reflect the reduction in the insurance premiums to which they relate and the non-payment of a charge to another department.

6. Virtually all of the growth in the Tax Credit appropriation was due to an increase in benefits under the Cost of Living Tax Credit (+$10.9 million). The increases were caused in part by higher maximum benefit levels introduced in the 1988 Budget, and in part by somewhat lower than expected income growth. The Political Contributions Tax Credit was about $0.6 million higher than in the previous year as 1988 was an election year. Contributions typically rise significantly in election years. The remaining increase was due to factors such as aging and a general increase in the number of Manitoba households.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90		Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
	07-9	Public Debt (Statutory)				
$1,160,084,600		(a) Interest on the Public Debt of the Province and Expenses Incidental thereto	$1,068,578,113	$960,850,829	$107,727,284	
94,800,000		Interest on Trust and Special Funds	127,732,523	87,004,062	40,728,461	
		(b) Less: Amounts of Interest and Other Charges Receivable from:				
(56,856,900)		Manitoba Telephone System	(56,789,273)	(58,666,207)	1,876,934	
(293,639,500)		Manitoba Hydro	(267,012,187)	(250,427,006)	(16,585,181)	
(43,868,600)		Manitoba Housing and Renewal Corporation	(44,687,849)	(40,341,532)	(4,346,317)	
(25,660,400)		Manitoba Agricultural Credit Corporation	(24,433,053)	(23,607,210)	(825,843)	
(4,364,200)		Other Government Agencies	(5,221,318)	(5,314,605)	93,287	
(197,504,900)		Other Loans and Investments	(225,039,732)	(170,085,570)	(54,954,162)	
(145,000,000)		Sinking Fund Investments	(148,705,722)	(124,218,203)	(24,487,519)	
$ 487,990,100	Total 07-9		$ 424,421,502	$375,194,558	$ 49,226,944	7

7. Net actual expenditures to March 31, 1990 increased by $49.2 million from March 31, 1989. The major factors contributing to this increase include additional long-term financing, foreign debt swapped into U.S. and Canadian dollars and higher interest rates.

Interest expense on Public Debt was $108.6 million higher for several reasons. An increase in the amount and mix of new financing resulted in a $53.5 million increase. Higher interest rates on swapped debt transactions resulted in a $35.7 million increase. Higher interest rates on floating rate debt increased costs by $20.9 million.

Earnings from investments including the cash management program and interest recoverable from advances to Crown Corporations increased by $44.9 million due to higher interest rates, increased cash balances from new financing, and increased investments.

Amortization of foreign exchange fluctuations and final year maturity costs showed a net decrease of $14.6 million. This resulted from favourable foreign currency levels, maturities on foreign debt including 4 Yen issues which were called/refinanced, and the mix of other maturities.

Department of Finance

Expenditure Summary

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90		Appropriation	Actual 1989/90	Actual 1988/89	Increase (Decrease)	Explanation Number
Nil	07-10	Hydro Rates Stabilization (Statutory)	0	$ 44,065,871	$(44,065,871)	8
$ 1,162,900	07-11	Expenditures Related to Capital (a) Acquisition/Construction of Physical Assets	$ 363,258	0	$ 363,258	9
	07-12	Queen's Bench Suit #1367/78 - 282/86 (Statutory)	$ 1,789,084	$ 38,975	$ 1,750,109	10
	07-13	Payment of Claim Under The Financial Administration Act (Statutory)	$ 1,000	0	$ 1,000	
	07-14	Loan Guarantee Payments (Statutory)	$ 89,872	0	$ 89,872	
		Payment of Claim Under The Financial Administration Act (Statutory)	0	$ 352	$ (352)	
		Payment of Claim Under The Financial Administration Act (Statutory)	0	$ 10,000	$ (10,000)	
$758,817,600		Department Total	$694,578,052	$674,485,708	$20,092,344	

8. The Hydro Rates Stabilization Fund was terminated April 1, 1989.

9. This increase represents acquisition and installation of Wang equipment for the Legislative Building Information System which commenced in 1989-90.

10. The Supreme Court of Canada awarded a judgment of $2,075,600 plus interest to the plaintiff in a Suit against the Government. Interim payments were made during the period that the case was under appeal and the final payment was made in 1989-90.

Department of Finance

Revenue Summary by Source

for fiscal year ended March 31, 1990
with comparative figures for the Estimate for 1989/90

Description	Actual 1989/90 $	Estimate 1989/90 $	Variance Over(Under) $	Expl. No.
TAXATION				
Corporation Income Tax	152,327,272	167,300,000	(14,972,728)	1
Individual Income Tax	1,031,093,711	1,038,500,000	(7,406,289)	2
Reciprocal Taxation Agreement	14,890,034	18,000,000	(3,109,966)	3
Corporation Capital Tax	72,524,672	62,000,000	10,524,672	4
Gasoline Tax	126,023,235	129,150,000	(3,126,765)	5
Levy for Health and Education	191,267,689	180,500,000	10,767,689	6
Manitoba Succession Duty and Gift Tax	58,452	58,400	52	
Mining Claim Lease Tax	71,241	76,500	(5,259)	
Mining Tax	115,485,643	180,000,000	(64,514,357)	7
Motive Fuel Tax	65,002,607	63,600,000	1,402,607	8
Pari Mutuel Tax	4,916,754	5,000,000	(83,246)	
Retail Sales Tax	621,730,443	624,700,000	(2,969,557)	9
Revenue Act, 1964, Part I	48,156,722	46,500,000	1,656,722	10
Tobacco Tax	116,854,936	112,000,000	4,854,936	11
Environmental Protection Tax	975,942	100,000	875,942	12
Total Taxation	2,561,379,353	2,627,484,900	(66,105,547)	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1990
with comparative figures for the Estimate for 1989/90

Description	Actual 1989/90 $	Estimate 1989/90 $	Variance Over(Under) $	Expl. No.
OTHER REVENUE				
Refund of Prior Years' Expenditures	11,694,089	10,400,000	1,294,089	13
Sundry Revenue	709,842	100,000	609,842	14
Total Other Revenue	12,403,931	10,500,000	1,903,931	
GOVERNMENT OF CANADA				
Equalization	909,727,000	852,500,000	57,227,000	15
Established Programs Cash Transfer	430,832,000	451,700,000	(20,868,000)	16
Government of Canada Subsidy	2,216,384	2,200,000	16,384	
Total Government of Canada	1,342,775,384	1,306,400,000	36,375,384	
Total Department	3,916,558,668	3,944,384,900	(27,826,232)	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1990
with comparative figures for the Estimate for 1989/90

EXPLANATIONS
ESTIMATE/ACTUAL

1. Corporation Income Tax - see page 38.

2. Individual Income Tax - see page 38.

3. Reciprocal Taxation Agreement - see page 38.

4. Corporation Capital Tax - Tax collected from banks was higher than forecast. Reported growth in debt and equity financing was higher than estimated.

5. Gasoline Tax - Sales of leaded gasoline bearing the 1.8 cent per litre surtax decreased more rapidly than anticipated. Estimate was based on 33% leaded gasoline and 67% unleaded gasoline of total volume sales. The actual sales were 8% leaded gasoline and 92% unleaded gasoline of total volume sales. Also, total gasoline sales were reduced by one-half of one percent from previous year.

6. Levy for Health and Education - Higher than estimated taxable payrolls following increase in exemption to $300,000.

7. Mining Tax - Unanticipated decrease in world nickel prices resulted in lower profits on which tax is based and decreased further by an ore processing problem in Thompson.

8. Motive Fuel Tax - Increase in railway usage was approximately $580,000 more than originally estimated. The balance of approximately $822,600 is attributed to an increase in clear diesel sales partially due to increased trucking activity but mainly due to the tax change on September 5, 1989 which increased the off-highway diesel tax rate to equal the clear diesel tax rate. This amendment negated the opportunity for tax abuse on off-highway fuels.

9. Retail Sales Tax - This revenue variance is attributable to inflationary price increases being less than originally projected.

10. Revenue Act, 1964, Part 1 - This tax is remitted by utility companies and coal dealers. The increased revenue is due mainly to increased electricity and natural gas used for air conditioning and heating respectively due to the comparatively hotter summer and colder winter than in recent years.

11. Tobacco Tax - Significant over-buying by wholesalers from manufacturers, in some cases triple in amount, due to wholesalers anticipating price increases in the February 1990 Federal Budget.

EXPLANATIONS
ESTIMATE/ACTUAL

12. Environmental Protection Tax - This tax became effective on August 1, 1989 and was collected by the Manitoba Liquor Control Commission. This tax was restricted to containers for which a deposit/return system was not in place.

13. Refund of Prior Years' Expenditures - The favourable foreign exchange rates on Energy Rate Stabilization Act (ERSA) transactions generated refunds of $9,541,626. This revenue includes interest recovered from Manitoba Mineral Resources of $414,644 and various recoveries of prior years' expenditures by other departments.

14. Sundry Revenue - Includes the redeposit of stale-dated cheques of $254,578. Balance is made up of many smaller amounts such as personal mileage, adjustment re claim on judgment, and minor revenues.

15. Equalization - see page 38.

16. Established Programs Cash Transfers - see page 38.

Department of Finance

Revenue Summary by Source

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90 $	Description	Actual 1989/90 $	Actual 1988/89 $	Increase (Decrease) $	Expl. No.
	TAXATION				
167,300,000	Corporation Income Tax	152,327,272	201,057,270	(48,729,998)	1
1,038,500,000	Individual Income Tax	1,031,093,711	1,029,942,576	1,151,135	2
18,000,000	Reciprocal Taxation Agreement	14,890,034	16,497,009	(1,606,975)	3
62,000,000	Corporation Capital Tax	72,524,672	59,672,532	12,852,140	4
129,150,000	Gasoline Tax	126,023,235	121,956,873	4,066,362	5
180,500,000	Levy for Health and Education	191,267,689	199,191,511	(7,923,822)	6
58,400	Manitoba Succession Duty and Gift Tax	58,452	322,631	(264,179)	
76,500	Mining Claim Lease Tax	71,241	71,301	(60)	
180,000,000	Mining Tax	115,485,643	151,324,973	(35,839,330)	7
63,600,000	Motive Fuel Tax	65,002,607	64,875,614	126,993	
	Oil and Natural Gas Tax		5,705,303	(5,705,303)	8
5,000,000	Pari Mutuel Tax	4,916,754	5,034,777	(118,023)	
624,700,000	Retail Sales Tax	621,730,443	594,707,948	27,022,495	9
46,500,000	Revenue Act, 1964, Part I	48,156,722	45,811,809	2,344,913	10
112,000,000	Tobacco Tax	116,854,936	98,724,970	18,129,966	11
100,000	Environmental Protection Tax	975,942		975,942	12
2,627,484,900	Total Taxation	2,561,379,353	2,594,897,097	(33,517,744)	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

Estimate 1989/90 $	Description	Actual 1989/90 $	Actual 1988/89 $	Increase (Decrease) $	Expl. No.
	OTHER REVENUE				
10,400,000	Refund of Prior Years' Expenditures	11,694,089	1,541,095	10,152,994	13
100,000	Sundry Revenue	709,842	748,610	(38,768)	
10,500,000	Total Other Revenue	12,403,931	2,289,705	10,114,226	
	GOVERNMENT OF CANADA				
852,500,000	Equalization	909,727,000	863,096,000	46,631,000	14
451,700,000	Established Programs Cash Transfer	430,832,000	426,056,000	4,776,000	15
2,200,000	Government of Canada Subsidy	2,216,384	2,214,277	2,107	
1,306,400,000	Total Government of Canada	1,342,775,384	1,291,366,277	51,409,107	
3,944,384,900	Total Department	3,916,558,668	3,888,553,079	28,005,589	

Department of Finance

Revenue Summary by Source (cont'd)

for fiscal year ended March 31, 1990
with comparative figures for the previous fiscal year

EXPLANATIONS
ACTUAL 1989/90 TO ACTUAL 1988/89

1. Corporation Income Tax - see page 39.

2. Individual Income Tax - see page 39.

3. Reciprocal Taxation Agreement - see page 39.

4. Corporation Capital Tax - The increase in Corporation Capital Tax Revenue from $59.7 million for the Fiscal Year Ended March 31, 1989 to $72.5 million for the Fiscal Year Ended March 31, 1990 - is the net result of an increase of $6.0 million received from the major banks; an increase of $3.0 million attributable to growth of Taxable Capital of approximately 5%; and due to an announcement by the Federal Government in 1987 allowing corporations to elect to change their year end to December 31, produced an increase of $3.8 million in 1989-90.

5. Gasoline Tax - The tax on gasoline was increased by one cent per litre effective September 5, 1989.

6. Levy for Health and Education - The decrease in this tax revenue of $7.9 million from $199.2 million for the Fiscal Year Ended March 31, 1989 to $191.3 million for the fiscal year ended March 31, 1990 - is the net result of: an increase of $7.1 million attributable to growth in employment and/or wages of approximately 4%; and a decrease of $15.0 million resulting from the changes to the exemption levels announced in the 1989 budget.

7. Mining Tax - An increase in operating costs, a significant reduction in production due to high arsenic content at the Thompson open pit north mine and a 23% drop in price per pound for nickel resulted in a reduction of revenue. There was a non-recurring audit assessment in 1988-89 of $5,260,000.

8. Oil and Natural Gas Tax - In 1989-90, the enforcement and control of this Act was transferred to the Department of Energy and Mines.

9. Retail Sales Tax - The increase of $27,022,495 in the actual retail sales tax revenue, from $594,707,948 in 1988-89 to $621,730,443 in 1989-90, is mainly attributable to inflationary increases in the price of goods and services.

10. Revenue Act, 1964, Part 1 - This tax is remitted by utility companies and coal dealers. The increased revenue is attributed to increased electricity and natural gas used for air conditioning and heating respectively and rate increases as approved by the Public Utilities Board.

11. Tobacco Tax - The tax on cigarettes was increased by one cent per cigarette, and 2.4 cents per gram (70 cents per ounce) on other tobacco effective July 10, 1989. Also significant overbuying by wholesalers from manufacturers, in some cases up to triple the normal amount, due to wholesalers anticipating significant price increases in the February 1990 Federal Budget.

EXPLANATIONS
ACTUAL 1989/90 TO ACTUAL 1988/89

12. Environmental Protection Tax - This tax became effective on August 1, 1989 and was collected by the Manitoba Liquor Control Commission. The tax was restricted to containers for which a deposit/return system was not in place.

13. Refund of Prior Years' Expenditures - The favourable foreign exchange rates on Energy Rate Stabilization Act (ERSA) transactions generated refunds of $9,541,626 in 1989-90. Included in this revenue are the recoveries of prior years' expenditures by other departments and a non-recurring recovery of interest of $414,644 from Manitoba Mineral Resources.

14. Equalization - see page 39.

15. Established Programs Cash Transfer - see page 40.

Department of Finance

Five Year Expenditure and Staffing Summary by Appropriation ($000)

for years ending March 31, 1986 - March 31, 1990

Actual/Adjusted (*) Expenditures

Appropriation	1985-86 SY	1985-86 $	1986-87 SY	1986-87 $	1987-88 SY	1987-88 $	1988-89* SY	1988-89* $	1989-90 SY	1989-90 $
07-1 Administration and Finance	18.40	747.4	20.29	857.8	19.32	841.2	18.17	858.0	18.37	860.0
07-2 Treasury Division	17.22	873.4	19.15	955.1	22.16	1,078.5	21.01	1,278.2	23.12	1,346.6
07-3 Comptroller's Division	95.32	3,330.5	94.21	3,364.4	96.42	3,628.4	94.18	4,354.1	100.21	4,298.8
07-4 Taxation Division	189.05	6,925.5	191.34	7,482.0	192.45	7,850.7	189.36	8,234.4	184.26	8,672.4
07-5 Federal-Provincial Relations and Research Division	26.45	1,150.1	27.30	1,324.6	29.38	1,404.4	30.37	1,476.3	28.04	1,395.4
07-6 Insurance and Risk Management	6.01	977.9	7.13	1,064.5	4.00	938.7	3.45	932.0	4.20	997.5
07-7 Treasury Board Secretariat	22.38	919.2	23.21	1,064.8	29.08	1,555.8	33.28	1,960.6	38.02	2,012.2
Total Departmental Operating Expenditures	376.27	14,924.0	384.07	16,113.2	394.25	17,297.7	391.26	19,093.6	397.18	19,582.9
07-8 Tax Credit Payments		198,658.1		205,331.1		209,525.6		236,082.4		248,330.4
07-9 Public Debt (Statutory)		272,766.5		351,484.2		430,708.6		375,194.5		424,421.5
07-10 Hydro Rates Stabilization (Statutory)		34,047.0		70,039.5		52,677.1		44,065.9		-
07-11 Expenditures Related to Capital		-		-		-		-		363.3
07-12 Judgments and Other Statutory Appropriations		-		10,440.9		404.8		49.3		1,880.0
Local Government General Support Grants		13,333.6		13,866.6 (1)		-		-		-
Departmental Total	376.27	533,729.2	384.07	667,275.5	394.25	710,613.8	391.26	674,485.7	397.18	694,578.1

(1) Responsibility transferred to other departments.